
LOAN NUMBER 3678-CAM(COL)

LOAN AGREEMENT
(Ordinary Operations [Concessional])
(Rural Roads Improvement Project III)

between

KINGDOM OF CAMBODIA

and

ASIAN DEVELOPMENT BANK

DATED 6 JULY 2018

CAM 42334

LOAN AGREEMENT
(Ordinary Operations [Concessional])

LOAN AGREEMENT dated 6 July 2018 between KINGDOM OF CAMBODIA ("Borrower") and ASIAN DEVELOPMENT BANK ("ADB").

WHEREAS

(A) the Borrower has applied to ADB for a loan for the purposes of the project described in Schedule 1 to this Loan Agreement ("Project");

(B) by a grant agreement of even date herewith between the Borrower and ADB ("Grant Agreement"), ADB has agreed to provide from the ADB's Special Funds resources a grant in the amount of one million five hundred thousand Dollars (\$1,500,000) ("Grant") for the purposes of the Project; and

(C) ADB has agreed to make a concessional loan to the Borrower from ADB's ordinary capital resources upon the terms and conditions set forth herein;

NOW THEREFORE the parties agree as follows:

ARTICLE I

Loan Regulations; Definitions

Section 1.01. All provisions of ADB's Ordinary Operations (Concessional) Loan Regulations, dated 1 January 2017 ("Loan Regulations"), are hereby made applicable to this Loan Agreement with the same force and effect as if they were fully set forth herein.

Section 1.02. Wherever used in this Loan Agreement, the several terms defined in the Loan Regulations have the respective meanings therein set forth unless modified herein or the context otherwise requires. Additional terms used in this Loan Agreement have the following meanings:

- (a) "CPF" means the community participation framework for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (b) "Consulting Services" means consulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (c) "EMP" means the environmental management plan for the Project, including any update thereto, incorporated in the IEE;

- (d) "Environmental Safeguards" means the principles and requirements set forth in Chapter V, Appendix 1, and Appendix 4 (as applicable) of the SPS;
- (e) "GAP" means the gender action plan for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (f) "Goods" means equipment and materials as set out in the Procurement Plan and to be financed out of the proceeds of the Loan, including any related Nonconsulting Services such as transportation, insurance, installation, commissioning, training, and initial maintenance;
- (g) "HHTPP" means HIV/AIDS and human trafficking prevention and awareness program;
- (h) "HIV/AIDS" means human immunodeficiency virus/acquired immune deficiency syndrome;
- (i) "IEE" means the initial environmental examination for the Project, including any update thereto, prepared and submitted by the Borrower and cleared by ADB;
- (j) "Loan Disbursement Handbook" means ADB's Loan Disbursement Handbook (2017, as amended from time to time);
- (k) "MRD" means the Borrower's Ministry of Rural Development;
- (l) "Nonconsulting Services" means nonconsulting services as described in the Procurement Regulations and set out in the Procurement Plan, and to be financed out of the proceeds of the Loan;
- (m) "PAM" means the project administration manual for the Project dated 11 May 2018 and agreed between the Borrower and ADB, as updated from time to time in accordance with the respective administrative procedures of the Borrower and ADB;
- (n) "Procurement Plan" means the procurement plan for the Project dated 11 May 2018 and agreed between the Borrower and ADB, as updated from time to time in accordance with the Procurement Policy, the Procurement Regulations, and other arrangements agreed with ADB (which include the standard operating procedures of the Borrower (22 May 2012, as amended from time to time) ("SOP") providing procedures applicable to externally-financed projects and programs, and the procurement manual under the SOP (22 May 2012, as amended from time to time) prepared by the Borrower setting forth the procurement-related policies and procedures for externally-financed projects and programs);

- (o) "Procurement Policy" means ADB's Procurement Policy - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (p) "Procurement Regulations" means ADB's Procurement Regulations for ADB Borrowers - Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time);
- (q) "Project Executing Agency", for the purposes of, and within the meaning of, the Loan Regulations, means MRD or any successor thereto acceptable to ADB, which is responsible for the carrying out of the Project;
- (r) "Project Facilities" means facilities to be constructed, procured, rehabilitated and/or maintained under the Project;
- (s) "Project Province" means each of the provinces located within the territory of the Borrower where the Project will be carried out as described in Schedule 1 to this Loan Agreement;
- (t) "SPS" means ADB's Safeguard Policy Statement (2009);
- (u) "Safeguards Monitoring Report" means each report prepared and submitted by the Borrower to ADB that describes progress with implementation of and compliance with the EMP, including any corrective and preventative actions;
- (v) "SEO" means a social and environment office within MRD;
- (w) "Services" means Consulting Services and Nonconsulting Services; and
- (x) "Works" means construction or civil works as set out in the Procurement Plan and to be financed out of the proceeds of the Loan and the Grant, including any related Nonconsulting Services and project-related services that are provided as part of a single responsibility or turnkey contract.

ARTICLE II

The Loan

Section 2.01. (a) ADB agrees to lend to the Borrower from ADB's ordinary capital resources an amount of fifty-eight million five hundred thousand Dollars (\$58,500,000).

(b) The Loan has a principal repayment period of 24 years, and a grace period as defined in subsection (c) hereinafter.

(c) The term "grace period" as used in subsection (b) hereinabove means the period prior to the first Principal Payment Date in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.02. The Borrower shall pay to ADB an interest charge at the rate of 1% per annum during the grace period, and 1.5% per annum thereafter, on the amount of the Loan withdrawn from the Loan Account and outstanding from time to time.

Section 2.03. The interest charge and any other charge on the Loan shall be payable semiannually on 15 June and 15 December in each year.

Section 2.04. The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the amortization schedule set forth in Schedule 2 to this Loan Agreement.

Section 2.05. The currency of repayment of the principal amount of the Loan and the currency of payment of the interest charge for the purposes of Sections 4.03(a) and 4.04 of the Loan Regulations shall be the Dollar.

ARTICLE III

Use of Proceeds of the Loan

Section 3.01. The Borrower shall cause the proceeds of the Loan to be applied exclusively to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement.

Section 3.02. The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB.

Section 3.03. Except as ADB may otherwise agree, the Borrower shall procure, or cause to be procured, the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement.

Section 3.04. Withdrawals from the Loan Account in respect of Goods, Works, and Services shall be made only on account of expenditures relating to:

- (a) Goods which are produced in and supplied from and Works and Services which are supplied from such member countries of ADB as shall have been specified by ADB from time to time as eligible sources for procurement; and
- (b) Goods, Works, and Services which meet such other eligibility requirements as shall have been specified by ADB from time to time.

Section 3.05. The Loan Closing Date for the purposes of Section 8.02 of the Loan Regulations shall be 30 June 2026 or such other date as may from time to time be agreed between the Borrower and ADB.

ARTICLE IV

Particular Covenants

Section 4.01. In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 4 to this Loan Agreement.

Section 4.02. (a) The Borrower shall cause the Project Executing Agency to (i) maintain separate accounts and records for the Project; (ii) prepare annual financial statements for the Project in accordance with financial reporting standards acceptable to ADB; (iii) have such financial statements audited annually by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB, in accordance with auditing standards acceptable to ADB; (iv) as part of each such audit, have the auditors prepare a report, which includes the auditors' opinion(s) on the financial statements and the use of the Loan proceeds, and a management letter (which sets out the deficiencies in the internal control of the Project that were identified in the course of the audit, if any); and (v) furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

(b) ADB shall disclose the annual audited financial statements for the Project and the opinion of the auditors on the financial statements within 14 days of the date of ADB's confirmation of their acceptability by posting them on ADB's website.

(c) The Borrower shall enable ADB, upon ADB's request, to discuss the financial statements for the Project and the Borrower's financial affairs where they relate to the Project with the auditors appointed pursuant to subsection (a)(iii) hereinabove, and shall authorize and require any representative of such auditors to participate in any such discussions requested by ADB. This is provided that such discussions shall be conducted only in the presence of an authorized officer of the Borrower, unless the Borrower shall otherwise agree.

Section 4.03. The Borrower shall enable ADB's representatives to inspect the Project, the Goods, Works and Services, and any relevant records and documents.

ARTICLE V

Suspension; Acceleration of Maturity

Section 5.01. The following are specified as additional events for suspension of the right of the Borrower to make withdrawals from the Loan Account for the purposes of Section 8.01(m) of the Loan Regulations: the Grant Agreement shall have become liable for suspension or cancellation.

Section 5.02. The following is specified as an additional event for acceleration of maturity for the purposes of Section 8.07(d) of the Loan Regulations: any of the events specified in Section 5.01 of this Loan Agreement shall have occurred.

ARTICLE VI

Effectiveness

Section 6.01. The following is specified as an additional condition to the effectiveness of this Loan Agreement for the purposes of Section 9.01(f) of the Loan Regulations: the Grant Agreement shall have been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 6.02. The following is specified as an additional matter, for the purposes of Section 9.02(d) of the Loan Regulations, to be included in the opinion or opinions to be furnished to ADB: the Grant Agreement has been duly authorized or ratified by, and executed and delivered on behalf of the Borrower, and is legally binding upon the Borrower in accordance with its terms.

Section 6.03. A date 90 days after the date of this Loan Agreement is specified for the effectiveness of this Loan Agreement for the purposes of Section 9.04 of the Loan Regulations.

ARTICLE VII

Miscellaneous

Section 7.01. The Minister of Economy and Finance of the Borrower is designated as representative of the Borrower for the purposes of Section 11.02 of the Loan Regulations.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the Loan Regulations:

For the Borrower

The Ministry of Economy and Finance
St. 92, Sangkat Wat Phnom
Khan Daun Penh
Phnom Penh
Cambodia

Facsimile Number:

(855-23) 427 798

(855-23) 428 424

For ADB

Asian Development Bank
6 ADB Avenue
Mandaluyong City
1550 Metro Manila
Philippines

Facsimile Numbers:

(632) 636-2444

(632) 636-2015.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective names as of the day and year first above written and to be delivered at the principal office of ADB.

KINGDOM OF CAMBODIA

By 

H.E. Dr. AUN PORNMONIROTH
Senior Minister
Minister of Economy and Finance

ASIAN DEVELOPMENT BANK

By 

HIDEAKI IWASAKI
Acting Country Director
Cambodia Resident Mission

SCHEDULE 1**Description of the Project**

1. The objective of the Project is to provide a safe, climate-resilient and cost-effective rural road network in Kampong Cham, Kratie, Prey Veng, Svay Rieng, and Tboung Khmum provinces located within the territory of the Borrower.
2. The Project shall comprise the following components:
 - (a) **Rural Roads Improvements** – improving about 360 kilometers of rural roads to a condition which is disaster-resilient for natural hazards and climate change and provides safer and cost-effective rural road network and related supervision of detailed design and implementation of the rural roads construction;
 - (b) **Rural Roads Asset Management Improvement** – continuing routine road maintenance and installation of overload control gates; and
 - (c) **Strengthening Awareness on Road Safety and Potential Social Problems:**
 - (i) conducting a community-based road safety awareness program, through data collection and analysis, safe school zone and social enforcement activities;
 - (ii) implementing an HHTPP; and
 - (iii) conducting a sex-disaggregated socioeconomic baseline survey of Project beneficiaries.
3. The Project is expected to be completed by 31 December 2025.

SCHEDULE 2

Amortization Schedule

Date Payment Due	Payment of Principal (Expressed in USD ^{1*})
15 December 2026	1,218,750
15 June 2027	1,218,750
15 December 2027	1,218,750
15 June 2028	1,218,750
15 December 2028	1,218,750
15 June 2029	1,218,750
15 December 2029	1,218,750
15 June 2030	1,218,750
15 December 2030	1,218,750
15 June 2031	1,218,750
15 December 2031	1,218,750
15 June 2032	1,218,750
15 December 2032	1,218,750
15 June 2033	1,218,750
15 December 2033	1,218,750
15 June 2034	1,218,750
15 December 2034	1,218,750
15 June 2035	1,218,750
15 December 2035	1,218,750
15 June 2036	1,218,750
15 December 2036	1,218,750
15 June 2037	1,218,750
15 December 2037	1,218,750
15 June 2038	1,218,750
15 December 2038	1,218,750
15 June 2039	1,218,750
15 December 2039	1,218,750
15 June 2040	1,218,750
15 December 2040	1,218,750
15 June 2041	1,218,750
15 December 2041	1,218,750
15 June 2042	1,218,750
15 December 2042	1,218,750
15 June 2043	1,218,750
15 December 2043	1,218,750
15 June 2044	1,218,750
15 December 2044	1,218,750

* The arrangements for payment are subject to the provisions of Sections 3.04 and 4.03 of the Loan Regulations.

15 June 2045	1,218,750
15 December 2045	1,218,750
15 June 2046	1,218,750
15 December 2046	1,218,750
15 June 2047	1,218,750
15 December 2047	1,218,750
15 June 2048	1,218,750
15 December 2048	1,218,750
15 June 2049	1,218,750
15 December 2049	1,218,750
15 June 2050	1,218,750
Total	58,500,000

SCHEDULE 3**Allocation and Withdrawal of Loan Proceeds**General

1. The table attached to this Schedule sets forth the Categories of items of expenditure to be financed out of the proceeds of the Loan and the allocation of the Loan proceeds to each such Category ("Table"). (Reference to "Category" in this Schedule is to a Category or Subcategory of the Table.)

Basis for Withdrawal from the Loan Account

2. Except as ADB may otherwise agree, the proceeds of the Loan shall be allocated to items of expenditure, and disbursed on the basis of the withdrawal percentage for each item of expenditure set forth in the Table.

Interest Charge

3. The amount allocated to Category "Interest Charge" is for financing the interest charge on the Loan during the implementation period of the Project. ADB shall be entitled to withdraw from the Loan Account and pay to itself, on behalf of the Borrower, the amounts required to meet payments, when due, of such interest charge.

Reallocation

4. Notwithstanding the allocation of Loan proceeds and the withdrawal percentages set forth in the Table,

- (a) if the amount of the Loan allocated to any Category appears to be insufficient to finance all agreed expenditures in that Category, ADB may, by notice to the Borrower, (i) reallocate to such Category, to the extent required to meet the estimated shortfall, amounts of the Loan which have been allocated to another Category but, in the opinion of ADB, are not needed to meet other expenditures, and (ii) if such reallocation cannot fully meet the estimated shortfall, reduce the withdrawal percentage applicable to such expenditures in order that further withdrawals under such Category may continue until all expenditures thereunder shall have been made; and
- (b) if the amount of the Loan allocated to any Category appears to exceed all agreed expenditures in that Category, ADB may, by notice to the Borrower, reallocate such excess amount to any other Category.

Disbursement Procedures

5. Except as ADB may otherwise agree, the Loan proceeds shall be disbursed in accordance with the Loan Disbursement Handbook.

TABLE

Allocation and Withdrawal of Loan Proceeds

Number	Item	Total Amount Allocated for ADB Financing (US\$)	Percentage and Basis for Withdrawal from the Loan Account
1	Works	39,660,000	100% of total expenditure claimed*
2	Services	3,440,000	100% of total expenditure claimed*
3	Goods	250,000	100% of total expenditure claimed*
4	Incremental Administration Cost	1,280,000	100% of total expenditure claimed
5	Interest Charge	1,330,000	100% of amount due
6	Unallocated	12,540,000	
Total		58,500,000	

* Exclusive of taxes and duties imposed within the territory of the Borrower.

SCHEDULE 4**Execution of Project; Environmental, Social and Financial Matters**Implementation Arrangements

1. The Borrower shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the PAM. Any subsequent change to the PAM shall become effective only after approval of such change by the Borrower and ADB. In the event of any discrepancy between the PAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.

Procurement

2. The Borrower shall ensure that:
- (a) the procurement of Goods, Works and Services is carried out in accordance with the Procurement Policy and the Procurement Regulations; and
 - (b) Goods, Works and Services shall be procured based on the detailed arrangements set forth in the Procurement Plan, including the procurement and selection methods, the type of bidding documents, and ADB's review requirements. The Borrower may modify the detailed arrangements set forth in the Procurement Plan only with the prior agreement of ADB, and such modifications must be set out in updates to the Procurement Plan; and
 - (c) (i) all Goods and Works procured and Services obtained (including all computer hardware, software and systems, whether separately procured or incorporated within other goods and services procured) do not violate or infringe any industrial property or intellectual property right or claim of any third party; and (ii) all contracts for the procurement of Goods, Works and Services contain appropriate representations, warranties and, if appropriate, indemnities from the contractor, supplier, consultant or service provider with respect to the matters referred to in this subparagraph.

Environment

3. The Borrower shall ensure that the preparation, design, construction, implementation, operation and decommissioning of the Project and all Project facilities comply with: (a) all applicable laws and regulations of the Borrower relating to environment, health and safety; (b) the Environmental Safeguards; and (c) all measures and requirements set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report.

4. The Borrower shall ensure that the detailed engineering design of the Project roads incorporates the recommendations from the project climate risk and vulnerability analysis for managing climate change risks.

Land Acquisition

5. The Borrower shall ensure that the Project does not have any involuntary resettlement impacts, all within the meaning of the SPS. The Borrower shall ensure that: (a) the due diligence report on the Project roads is updated upon completion of detailed engineering design on those Project roads to confirm that there is no resettlement or land acquisition impacts, and submitted, together with all the relevant supporting document, to ADB for review; and (b) no Works contract will commence until ADB has given its no-objection. In the event the impact does have any involuntary resettlement impact, the Borrower shall take all steps required to ensure that the Project complies with the applicable laws and regulations of the Borrower and with the SPS.

6. In the case of voluntary land donations for the Project, the Borrower shall ensure that: (a) eminent domain or other powers of the Borrower is not involved in the acquisition, (b) such voluntary donations are implemented in accordance with the CPF, (c) there was informed consent and power of choice of affected persons through a prior and informed consultation(s) with them, and (d) such voluntary donations do not severely affect the living standards of the affected persons but benefit them directly.

7. The Borrower shall ensure that all land and all rights-of-way required for the Project are made available to the Works contractor in accordance with the schedule agreed under the related Works contract.

Indigenous Peoples

8. The Borrower shall ensure that the Project does not have any ethnic minorities or indigenous peoples impacts, all within the meaning of the SPS. If unanticipated impacts on Indigenous Peoples become apparent during the project implementation stage, such as a change in the Project's footprint, the Borrower shall carry out a social impact assessment and formulate an indigenous peoples plan for the Project covering all applicable requirements specified in the SPS and the Borrower's laws and regulations.

9. The Borrower shall ensure that: (a) the due diligence report on the Project roads is updated upon completion of detailed engineering design on those Project roads to confirm that there is no ethnic minorities and/or indigenous peoples impacts, and submitted, together with all the relevant supporting document, to ADB for review; and (b) no Works contract will commence until ADB has given its no-objection.

Human and Financial Resources to Implement Safeguards Requirements

10. The Borrower shall make available necessary budgetary and human resources to fully implement the EMP.

Safeguards – Related Provisions in Bidding Documents and Works Contracts

11. The Borrower shall ensure that all bidding documents and contracts for Works contain provisions that require contractors to:

- (a) comply with the measures relevant to the contractor set forth in the IEE, the EMP, and any corrective or preventative actions set forth in a Safeguards Monitoring Report;
- (b) make available a budget for all such environmental and social measures;
- (c) provide the Borrower with a written notice of any unanticipated environmental, resettlement or indigenous peoples risks or impacts that arise during construction, implementation or operation of the Project that were not considered in the IEE or the EMP;
- (d) adequately record the condition of roads, agricultural land and other infrastructure prior to starting to transport materials and construction; and
- (e) reinstate pathways, other local infrastructure, and agricultural land to at least their pre-project condition upon the completion of construction.

Safeguards Monitoring and Reporting

12. The Borrower shall do the following:
- (a) submit semi-annual Safeguards Monitoring Reports to ADB and disclose relevant information from such reports to affected persons promptly upon submission;
 - (b) if any unanticipated environmental and/or social risks and impacts arise during construction, implementation or operation of the Project that were not considered in the IEE or the EMP, promptly inform ADB of the occurrence of such risks or impacts, with detailed description of the event and proposed corrective action plan; and
 - (c) report any actual or potential breach of compliance with the measures and requirements set forth in the EMP promptly after becoming aware of the breach.

Prohibited List of Investments

13. The Borrower shall ensure that no proceeds of the Loan are used to finance any activity included in the list of prohibited investment activities provided in Appendix 5 of the SPS.

Labor Standards, Health and Safety

14. The Borrower shall ensure that the core labor standards and the Borrower's applicable laws and regulations are complied with during Project implementation. The Borrower shall include specific provisions in the bidding documents and contracts financed by ADB under the Project requiring that the contractors, among other things: (a) comply with the Borrower's applicable labor law and regulations and incorporate applicable workplace

occupational safety norms; (b) do not use child labor; (c) do not discriminate workers in respect of employment and occupation; (d) do not use forced labor; (e) allow freedom of association and effectively recognize the right to collective bargaining; and (f) disseminate information on the risks of sexually transmitted diseases, including HIV/AIDS, to the employees of contractors engaged under the Project and to members of the local communities surrounding the Project area, particularly women.

15. The Borrower shall strictly monitor compliance with the requirements set forth in paragraph 14 above and provide ADB with regular reports.

Gender and Development

16. The Borrower shall ensure that: (a) the GAP is implemented in accordance with its terms; (b) the bidding documents and contracts include relevant provisions for contractors to comply with the measures set forth in the GAP; (c) adequate resources are allocated for implementation of the GAP; and (d) progress on implementation of the GAP, including progress toward achieving key gender outcome and output targets, are regularly monitored and reported to ADB.

Grievance Redress Mechanisms

17. Within 3 months of the Effective Date, the Borrower shall ensure that: (a) a separate local safeguards grievance redress mechanism, acceptable to ADB, is established in accordance with the provisions of the EMP, the CPF and the SPS, to consider any safeguards complaints; and (b) the local grievance redress mechanism is functioning effectively to (i) review and document eligible complaints of Project stakeholders; (ii) proactively address grievances; (iii) provide the complainants with notice of the chosen mechanism/action; (iv) prepare periodic reports to summarize the number of complaints received and resolved, chosen actions, and final outcomes/status of the grievances; and (v) make these reports available to ADB as part of the Safeguards Monitoring Report, including quarterly and semiannual reports and reports upon request. Eligible complaints include those related to the Project, any of the service providers, any person responsible for carrying out the Project, complaints on misuse of funds and other irregularities, and gender-related grievances.

Counterpart Support

18. The Borrower shall ensure that the counterpart funding required for successful implementation of the Project is timely allocated and provided to MRD.

19. In addition to the foregoing, the Borrower shall ensure that MRD has sufficient funds to satisfy their liabilities arising from any Works, Goods and/or Services contract.

Human and Financial Resources for Social Activities

20. The Borrower shall ensure that the human and financial resources in SEO are sufficient to fulfill SEO's responsibilities as agreed with ADB.

Works Contract

21. Without limiting the generality of the foregoing, the Borrower through MRD, shall ensure that any bidding document for Works contracts includes provisions to require the contractors to (a) provide the timely payment of wages; (b) comply with core labor standards and the applicable labor laws and regulations, including, among others, (i) no child labor, (ii) no forced labor, (iii) no discrimination on employment regardless of gender and/or ethnicity, and (iv) freedom of association and protection of the right to organize; and (c) implement HHTPP for all employees and at risk groups in local communities in the Project areas and provide necessary measures to ensure the safety and health of their employees.

22. The Borrower, through MRD, shall publicly disclose on the MRD's website information related to award of Goods and/or Works contracts including (i) the list of participating bidders, (ii) name of the winning bidder, (iii) basic details on bidding procedures adopted, (iv) amount of the contract awarded, (v) list of Goods and/or Works, and (vi) intended and actual utilization of the Loan proceeds under each contract.

Operational/Sector Performance Covenants

23. The Borrower shall ensure that adequate budget is allocated annually for the operation and maintenance of the Project facilities during and after the Project completion. MRD shall be responsible for the operation and maintenance of the Project facilities through proper technical supervision and adequate fund allocation.

UXO Clearance

24. The Borrower shall ensure that MRD does not issue a notice to proceed with any Works until it has confirmed that the related construction site is free from any unexploded ordnances.

Governance and Anticorruption

25. The Borrower shall (a) comply with ADB's Anticorruption Policy (1998, as amended to date) and acknowledge that ADB reserves the right to investigate directly, or through its agents, any alleged corrupt, fraudulent, collusive or coercive practice relating to the Project; and (b) cooperate with any such investigation and extend all necessary assistance for satisfactory completion of such investigation.

26. The Borrower shall ensure that the anticorruption provisions acceptable to ADB are included in all bidding documents and contracts, including provisions specifying the right of ADB to audit and examine the records and accounts of the executing and implementing agencies and all contractors, suppliers, consultants, and other service providers as they relate to the Project.